

OFFICE OF PERSONNEL MANAGEMENT REPORT RELAT-
ING TO DENTAL, VISION, AND HEARING BENEFITS FOR
FEDERAL EMPLOYEES AND OTHERS

JUNE 17, 2004.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. TOM DAVIS of Virginia, from the Committee on Government
Reform, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 3751]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred the bill (H.R. 3751) to require that the Office of Personnel Management study and present options under which dental and vision benefits could be made available to Federal employees and retirees and other appropriate classes of individuals, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. REPORTING REQUIREMENT.

(a) **IN GENERAL.**—Not later than 6 months after the date of the enactment of this Act, the Office of Personnel Management shall submit to Congress a report describing and evaluating options whereby additional dental, vision, and hearing benefits could be made available to—

- (1) Federal employees and annuitants;
- (2) qualified relatives of Federal employees and annuitants; and
- (3) other appropriate classes of individuals.

(b) **REQUIRED CONTENT.**—The report shall include—

(1) a description of the dental, vision, and hearing benefits currently available under the Federal employees health benefits program;

(2) a description of the supplemental dental, vision, and hearing plans currently offered by carriers participating in the Federal employees health benefits program;

(3) a description of specific dental, vision, and hearing benefits that could be offered in addition to those described in paragraphs (1) and (2), including any maximums, limitations, exclusions, and definitions that might be relevant;

(4) a description of the specific classes of individuals (as referred to generally in paragraphs (1) through (3) of subsection (a)) to whom those additional benefits should be made available, including any definitions and other terms or conditions that might be relevant;

(5) a description and assessment of the various contracting arrangements by which the Government could make those additional benefits available, including whether such benefits should be contracted for on a regional or national basis;

(6) the estimated cost of those additional benefits, including an analysis relating to whether any regular Government contributions or allocation for start-up costs might be necessary or appropriate;

(7) a description of how those additional benefits could be made available through—

(A) the Federal employees health benefits program;

(B) one or more plans outside the Federal employees health benefits program, including supplemental plans referred to in paragraph (2);

(C) the program described in subparagraph (A) in combination with one or more of the plans described in subparagraph (B); and

(D) any other dental, vision, and hearing coverage delivery method;

(8) an analysis of the advantages and disadvantages associated with the alternatives described under paragraph (7), including—

(A) the relative cost-effectiveness and efficiency of each;

(B) the likely impact of each alternative on the overall attractiveness of the Federal employees health benefits program to individuals eligible to enroll, particularly Federal employees and annuitants; and

(C) the extent to which each alternative might affect the relative competitiveness of the various carriers and plans currently participating in the Federal employees health benefits program (including as a provider of supplemental benefits);

(9) a recommendation from the Office as to its preferred method or methods for providing those additional benefits; and

(10) any proposed legislation or other measures the Office considers necessary in order to implement any of the foregoing.

(c) **SCREENING FOR GLAUCOMA.**—For purposes of this Act, the term “vision benefits” includes benefits relating to screening for glaucoma.

Amend the title so as to read:

A bill to require that the Office of Personnel Management study current practices under which dental, vision, and hearing benefits are made available to Federal employees, annuitants, and other classes of individuals, and to require that the Office also present options and recommendations relating to how additional dental, vision, and hearing benefits could be made so available.

COMMITTEE STATEMENT AND VIEWS

Purpose and summary

H.R. 3751 would require the Office of Personnel Management (OPM) to study and evaluate options under which increased coverage for dental, vision, and hearing benefits could be made available to participants in the Federal Employees Health Benefits Program (FEHBP) and to present those findings in a report to Congress within 6 months of enactment.

Background and need for legislation

The FEHBP provides health insurance benefits to nearly 9 million federal workers, retirees and their families. While the FEHBP offers the widest selection of health plans in the country, enabling enrollees to compare the costs, benefits, and features of different plans; coverage of dental, vision and hearing benefits are not a significant part of the basic health insurance packages offered.

Around 1987, OPM, which administers the FEHBP, stopped allowing plans to add new dental, vision and hearing packages or to increase packages they already had in place. The stated reasoning for this decision has been the belief that providing these benefits could lead to much larger premium increases or tradeoffs in the traditional areas of hospital, surgical, and medical benefits, which provide protection against significant and largely unforeseeable health care expenditures.

In recent years, other health benefits, such as contraceptives, mental health aid, and long-term care insurance, have been added to the FEHBP. Today, an overwhelming majority of private-sector plans provide dental and vision coverage. In addition, according to focus groups and a recent survey conducted by OPM, federal employees and annuitants desire better dental, vision and hearing care coverage more than any other benefits. In addition, most federal employees now have the option of establishing Flexible Spending Accounts, which enable them to put away more tax-free money for health care needs.

In light of these recent trends, the time has come to determine how best to add coverage for dental, vision and hearing care to the insurance options provided under the FEHBP. H.R. 3751 seeks to begin a collaborative process by which Congress and the Administration can develop an appropriate and cost-effective solution to the need for these benefits.

Legislative history

H.R. 3751 was introduced by Subcommittee Chairwoman Jo Ann Davis on January 30, 2004. Following mark-up by the Subcommittee on Civil Service and Agency Organization on March 17, 2004, the Committee met in open session on April 1, 2004, and by voice vote, ordered the bill favorably reported to the House of Representatives.

SECTION-BY-SECTION

Section 1

Section 1 outlines the required content to be included in the report to Congress, which must be submitted no later than six

months following enactment of the legislation. These requirements include a description of the coverage currently available for dental, vision and hearing care under the FEHBP, a description of the supplemental plans offered by carriers who participate in the FEHBP, a description and assessment of the various delivery methods through which these benefits could be provided, and the estimated cost and impact to carriers of these changes.

EXPLANATION OF AMENDMENTS

The provisions of the substitute are explained in this report.

COMMITTEE CONSIDERATION

On April 1, 2004, the Committee met in open session and ordered reported favorably the bill, H.R. 3751, as amended, by voice vote, a quorum being present.

ROLLCALL VOTES

No rollcall votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill studies options for increasing benefits under FEHBP. Legislative branch employees and their families, are eligible to participate in FEHBP. To the extent that they are otherwise eligible for the benefits under FEHBP, legislative branch employees would have equal access to future improvements to the program.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 3751. Article I, Section 8, Clause 18, the Necessary and Proper Clause, of the Constitution of the United States grants the Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104-4) requires a statement whether the provisions of the report include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 3751. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST
ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3751 from the Director of Congressional Budget Office:

H.R. 3751—A bill to require that the Office of Personnel Management study current practices under which dental, vision, and hearing benefits are made available to federal employees, annuitants, and other classes of individuals, and to require that the office also present options and recommendations relating to how additional dental, vision, and hearing benefits could be made so available

H.R. 3751 would direct the Office of Personnel Management (OPM) to study current dental, vision, and hearing health benefits offered to federal employees through the Federal Employees Health Benefits Program and recommended improvements. The bill would require OPM to submit recommendations to the Congress within six months of enactment.

CBO estimates that implementing H.R. 3751 would have no significant impact on the federal budget. Based on information from OPM, we estimate that the cost to complete and distribute the report would be less than \$500,000, assuming the availability of appropriated funds. Any potential costs for changes to federal health benefits would be subject to future legislation because H.R. 3751 would only require a study with recommended improvements. H.R. 3751 would not affect direct spending or revenues.

H.R. 3751 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

ADDITIONAL VIEWS OF REPRESENTATIVES HENRY A.
WAXMAN AND DANNY K. DAVIS

We support H.R. 3571 to require the Office of Personnel Management (OPM) to study the feasibility of including vision, dental, and hearing benefits as part of federal health insurance plans.

Originally, the bill only covered vision and dental benefits. At the Subcommittee markup, Representative Danny Davis offered an amendment, which was accepted, to require OPM to study the feasibility of providing hearing benefits to federal employees, retirees, and their families. Like vision and dental benefits, most insurance plans do not provide hearing benefits, such as coverage for hearing aids.

Currently, over 28 million Americans suffer hearing loss, half of whom are under the age of 50. Hearing loss is not just a problem affecting adults. Thirty-three children are born everyday with some form of hearing loss. With early detection and treatment, these children can be taught in regular classes, saving a school system as much as \$500,000 during a 12-year education.

Representative Danny Davis also added language to the bill to require OPM to include glaucoma screening in its study. This amendment is being offered to better understand the need for H.R. 3268, which was introduced last year by Representative Elijah Cummings. H.R. 3268 would extend the same glaucoma screening coverage provided by Medicare to federal employees who are in high-risk populations.

Although we support a study of vision, dental, and hearing benefits, a larger issue is the rising cost of health insurance premiums. For federal employees, premiums have risen by 10 percent annually in recent years. More needs to be done to help federal employees. Representative Steny Hoyer has introduced H.R. 577 to increase the federal government's share of the costs of health insurance premiums. It is our hope that the Committee will mark up this important piece of legislation this year.

HENRY A. WAXMAN.
DANNY K. DAVIS.

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